

JS-6

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

CHRISTOPHER BOOTH KENNEDY,

Defendant.

Case No. 2:24-cv-10608 CAS (PDx)

**FINAL JUDGMENT AS TO
DEFENDANT CHRISTOPHER
BOOTH KENNEDY**

The Securities and Exchange Commission having filed a Complaint and Defendant Christopher Booth Kennedy (“Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VI); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a)

1 of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the
2 offer or sale of any security by the use of any means or instruments of
3 transportation or communication in interstate commerce or by use of the mails,
4 directly or indirectly:

5 (a) to employ any device, scheme, or artifice to defraud;

6 (b) to obtain money or property by means of any untrue statement of a
7 material fact or any omission of a material fact necessary in order to make
8 the statements made, in light of the circumstances under which they were
9 made, not misleading; or

10 (c) to engage in any transaction, practice, or course of business which
11 operates or would operate as a fraud or deceit upon the purchaser.

12 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any
13 person about the price or trading market for any security, or (ii) making any false
14 or misleading statement, or disseminating any false or misleading documents,
15 materials, or information, concerning matters relating to a decision by an investor
16 or prospective investor to buy or sell securities of any company.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
18 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
19 binds the following who receive actual notice of this Judgment by personal service
20 or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys;
21 and (b) other persons in active concert or participation with Defendant or with
22 anyone described in (a).

23 II.

24 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
25 is permanently restrained and enjoined from violating, directly or indirectly,
26 Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15
27 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5],
28 by using any means or instrumentality of interstate commerce, or of the mails, or

1 of any facility of any national securities exchange, in connection with the purchase
2 or sale of any security:

3 (a) to employ any device, scheme, or artifice to defraud;

4 (b) to make any untrue statement of a material fact or to omit to state a
5 material fact necessary in order to make the statements made, in the light of
6 the circumstances under which they were made, not misleading; or

7 (c) to engage in any act, practice, or course of business which operates or
8 would operate as a fraud or deceit upon any person.

9 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any
10 person about the price or trading market for any security, or (ii) making any false
11 or misleading statement, or disseminating any false or misleading documents,
12 materials, or information, concerning matters relating to a decision by an investor
13 or prospective investor to buy or sell securities of any company.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
15 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
16 binds the following who receive actual notice of this Judgment by personal service
17 or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys;
18 and (b) other persons in active concert or participation with Defendant or with
19 anyone described in (a).

20 III.

21 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
22 is permanently restrained and enjoined from violating, directly or indirectly, Rule
23 15l-1(a)(1) of the Exchange Act [15 CFR § 240.15l-1(a)(1)], by failing, when
24 making a recommendation of any securities transaction or investment strategy
25 involving securities to a retail customer, to act in the best interest of the retail
26 customer at the time the recommendation is made, without placing his financial or
27 other interest ahead of the interest of the retail customer.

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
2 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
3 binds the following who receive actual notice of this Final Judgment by personal
4 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
5 attorneys; and (b) other persons in active concert or participation with Defendant
6 or with anyone described in (a).

7 IV.

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
9 that Defendant is liable for disgorgement of \$958,134, representing net profits
10 gained as a result of the conduct alleged in the Complaint, together with
11 prejudgment interest thereon in the amount of \$218,267, and a civil penalty in the
12 amount of \$958,134 pursuant to Section 20(d) of the Securities Act [15 U.S.C.
13 § 77t(d)] and Sections 21(d)(3), (5), and (7) of the Exchange Act [15 U.S.C. §§
14 78u(d)(3), (5), (7)], for a total of \$2,113,535. Defendant shall satisfy this
15 obligation by paying \$2,134,535 to the Securities and Exchange Commission
16 within 30 days after entry of this Final Judgment.

17 Defendant may transmit payment electronically to the Commission, which
18 will provide detailed ACH transfer/Fedwire instructions upon request. Payment
19 may also be made directly from a bank account via Pay.gov through the SEC
20 website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by
21 certified check, bank cashier's check, or United States postal money order payable
22 to the Securities and Exchange Commission, which shall be delivered or mailed to

23 Enterprise Services Center

24 Accounts Receivable Branch

25 6500 South MacArthur Boulevard

26 Oklahoma City, OK 73169

27 and shall be accompanied by a letter identifying the case title, civil action number,
28 and name of this Court; Nancy Cole as a defendant in this action; and specifying

1 that payment is made pursuant to this Final Judgment.

2 Defendant shall simultaneously transmit photocopies of evidence of
3 payment and case identifying information to the Commission's counsel in this
4 action. By making this payment, Defendant relinquishes all legal and equitable
5 right, title, and interest in such funds and no part of the funds shall be returned to
6 Defendant.

7 The Commission may enforce the Court's judgment for disgorgement and
8 prejudgment interest by using all collection procedures authorized by law,
9 including, but not limited to, moving for civil contempt at any time after 30 days
10 following entry of this Final Judgment.

11 The Commission may enforce the Court's judgment for penalties by the use
12 of all collection procedures authorized by law, including the Federal Debt
13 Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil
14 contempt for the violation of any Court orders issued in this action. Defendant
15 shall pay post judgment interest on any amounts due after 30 days of the entry of
16 this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the
17 funds, together with any interest and income earned thereon (collectively, the
18 "Fund"), pending further order of the Court.

19 The Commission may propose a plan to distribute the Fund subject to the
20 Court's approval. Such a plan may provide that the Fund shall be distributed
21 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act
22 of 2002. The Court shall retain jurisdiction over the administration of any
23 distribution of the Fund and the Fund may only be disbursed pursuant to an Order
24 of the Court.

25 Regardless of whether any such Fair Fund distribution is made, amounts
26 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
27 penalties paid to the government for all purposes, including all tax purposes. To
28 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or

1 reduction of any award of compensatory damages in any Related Investor Action
2 based on Defendant's payment of disgorgement in this action, argue that he is
3 entitled to, nor shall he further benefit by, offset or reduction of such compensatory
4 damages award by the amount of any part of Defendant's payment of a civil
5 penalty in this action ("Penalty Offset"). If the court in any Related Investor
6 Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of
7 a final order granting the Penalty Offset, notify the Commission's counsel in this
8 action and pay the amount of the Penalty Offset to the United States Treasury or to
9 a Fair Fund, as the Commission directs. Such a payment shall not be deemed an
10 additional civil penalty and shall not be deemed to change the amount of the civil
11 penalty imposed in this Judgment. For purposes of this paragraph, a "Related
12 Investor Action" means a private damages action brought against Defendant by or
13 on behalf of one or more investors based on substantially the same facts as alleged
14 in the Complaint in this action.

15 V.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
17 Consent is incorporated herein with the same force and effect as if fully set forth
18 herein, and that Defendant shall comply with all of the undertakings and
19 agreements set forth therein.

20 VI.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely
22 for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy
23 Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by
24 Defendant, and further, any debt for disgorgement, prejudgment interest, civil
25 penalty or other amounts due by Defendant under this Final Judgment or any other
26 judgment, order, consent order, decree or settlement agreement entered in
27 connection with this proceeding, is a debt for the violation by Defendant of the

28 ///

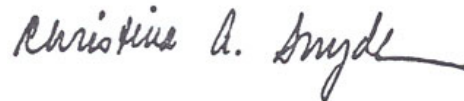
1 federal securities laws or any regulation or order issued under such laws, as set
2 forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

3 VII.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
5 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
6 of this Final Judgment.

7 IT IS SO ORDERED.

8 Dated: December 12, 2024



9
10 _____
HONORABLE CHRISTINA A. SNYDER
UNITED STATES DISTRICT JUDGE
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28